

DALLAS TIMES-HERALD  
11 November 1984

# Spy's mirage: CIA int blurs truth

**Eugene Tafoya sits in prison convinced he was persecuted by the U.S. government for doing his job as a CIA spy. But the government insists he is an assassin and ruthless mercenary who gave bomb materials to Libyan terrorists.**

By JIM HENDERSON

Staff Writer

EL RENO, Okla. — Eugene Tafoya has nothing but time now to stew over the oddities that brought him to this monotonous patch of sun-baked prairie, nothing but time to file appeals, write legal briefs and rage against the demons of conspiracy and trickery and mendacity.

After 15 months in the federal prison on the outskirts of town, where the ceaseless winds suck grit from the flat red earth and grate the flesh and the senses, the vision has become clearer in his mind: He was used and abused, a patriotic soldier turned covert agent set up by his own government; marked for death and, that failing, damned to be discredited and hounded by all the meanness and vindictiveness a national government can muster against one of its own.

"I'm a professional soldier," he said. "I spent my whole life, since I was 14 years old, serving this country. Maybe I fought on the wrong side."

His vision of his lot may be correct. Or it may be partially correct. Or it may be pure fantasy. Of all the oddities woven through his life in the past five years, none is larger than this: Nothing in the case of Eugene Tafoya is finally knowable.

Five years ago, Tafoya, a retired Green Beret sergeant living in El Paso, stumbled through the looking glass into a never-never land of spooks and pseudo spooks and mercenaries and international terrorists and code names and furtive meetings and cryptic messages and arms smuggling and political assassination.

It was a world of ghostly reflec-

tions and dark illusions — companies that were not companies, but fronts for the Central Intelligence Agency; businessmen who were not businessmen but agents of espionage; spies who were not spies, but fast-buck outlaws; adventurers who hired out to governments but whose loyalties were to bankrolls. Life was cheap, weapons expensive.

It was a land askew, a sham. Believing that he had been recruited by the CIA, Gene Tafoya stumbled into it and never came back. His prison cell is just another corner of it. His government insists he is a ruthless mercenary who trained and supplied bomb materials to Libyan terrorists, a professional assassin who hunted down the exiled enemies — including a Fort Collins, Colo., student — of Libya's deranged dictator, Moammar Khadafy.

So his government spent several million dollars to prosecute him and put him in prison for six years. The charge? Making a false statement on his income tax. Nothing more. His only other conviction was for a misdemeanor assault, and even that occurred during what he believed was a CIA mission.

"Everything I did was done in good conscience and the belief that I was working for the CIA," he said.

Maybe he was and maybe he wasn't. Nothing in his case is finally knowable, and in the three years since Gene Tafoya surfaced, his actions, as well as those of the CIA and the federal prosecutors, have served to keep it that way.

In open court in Colorado in 1981, a CIA official testified that Tafoya had never worked for the agency. But he also testified that if Tafoya had worked for the CIA, the CIA would deny it. Mirrors and illusions, the stuff of the netherworld.

The CIA acknowledges this much: In 1979, Tafoya, who had been retired from the U.S. Army Special Forces for three years, applied for a job with the agency and was given a preliminary approval for employment. However, agency officials claim his application went no further.

Tafoya claims that in that same year, he was invited to meet with CIA agents in Toronto, who recruited him to work in Libya for a man named Edwin Wilson, who was conducting a number of operations in the Middle East.

"They showed me their CIA credentials," Tafoya says. "I had no reason to doubt they were who they said they were."

One of the flaws in Tafoya's story is that he says he does not know the names of those who recruited him. But after his years in the military, working for the government in Vietnam and Central America, he had become accustomed to the secrecy and deception of the intelligence business.

"I didn't think much about it," he said. "Hell, I went to a meeting once and was told by my contact that I should use the name John. There were seven other guys at that meeting named John. Hi, my name's John. Oh, I'm John, too. This is John over here. Those kinds of things went on."

It was after the Toronto meeting, Tafoya says, that he flew to Libya and hooked up with Wilson, who he believed was a CIA operative. Smarter men than Eugene Tafoya believed the same thing.

Continued

Wilson had worked for the CIA and Naval Intelligence for 21 years, beginning with low-level security jobs and advancing to a position where he presided over far-flung intelligence-gathering operations in the form of "proprietary," front companies set up in various countries by the CIA. He developed strong friendships with high officials of the agency's covert operations within the Pentagon's intelligence branches.

In his recent book, "The Death Merchant," Joseph Goulden claims that while he was running the CIA "proprietary," Wilson began amassing a private fortune with real estate investments in the Virginia countryside. He bought a sprawling farm and threw lavish parties for congressmen and military brass and others of Washington's officialdom. Goulden says Wilson boasted of his high CIA position, and few doubted his veracity.

One of those investments led to Wilson's departure from the CIA. To obtain a loan to buy a tract of land, he listed among his assets a company that actually belonged to the CIA. He was quietly fired but almost immediately was accepted as a contract employee by Naval Intelligence.

He continued to operate the CIA fronts and, drawing on the network of connections he had established, built a business empire on the side. When he was finally fired by Adm. Bobby Inman in 1979, Wilson, Goulden writes, had the expertise and the connections to make him a godfather in the restless subculture of soldiers of fortune.

He hired out to Khadafy, to supply weapons and explosives to the Libyan army, to train assassins. He recruited ex-Green Berets, ex-CIA employees and other experts in the death business. He paid bribes, conned his friends and bluffed his way through a celebrated episode of international intrigue.

He did it in part, Goulden suggests, because CIA officials did lit-

tle to prevent him from carrying out the illusion that he was still an agency employee conducting agency business. When he left the agency, he did so quietly and formed a company with a name almost identical to a "proprietary" he had operated for the agency. Active CIA officials continued their association with him and even accompanied him to meetings with suppliers as he acquired the material for his Libyan business.

If the CIA and Naval Intelligence had severed all ties with Wilson, there was little visible evidence of it, at least little that was visible to an unsophisticated ex-Green Beret sergeant like Gene Tafoya.

He believed Wilson's bizarre story that the U.S. government was interested in supplying Libya with the weapons of terrorism so Wilson could ingratiate himself with Khadafy and steer him into an alliance with the United States.

Tafoya would later admit to being the "dumbest man alive."

"The prosecutors kept asking me why didn't I question this or why didn't I question that," he said. "I'm a professional soldier. If my commanding officer tells me we're going to take that hill, I don't ask why we need it or why I have to be the one to do it."

"I don't know if Wilson was CIA and I don't care. All I know is that I believed he was. He had senators and generals and admirals believing the same thing. Why wouldn't I believe it?"

Wilson is serving time for smuggling arms to Libya and for trying to pay for the murders of eight people — witnesses and prosecutors — involved in his trials.

Of all those who became involved in his activities, Gene Tafoya has drawn most of the government's prosecutorial ire. He had the reputation of a tough guy, and his missions for Wilson tended to be marked by violence. He was in Waterloo, Canada, in spring 1980 when a car belonging to a business enemy of Wilson's was firebombed.

And he was in Fort Collins, Colo., the following October when a Libyan student, Faisal Zagallai, who had been openly critical of the Khadafy government, was shot twice in the head with a .22-caliber pistol.

The gun eventually was traced

to Tafoya, and he was charged with attempted murder. Although it was a state charge, the FBI spent more than \$2 million trying to prove he was sent to Fort Collins by Wilson to assassinate the student.

Tafoya claimed he was sent to Colorado by a man named "John" and that his mission was to talk to the student and persuade him to tone down his anti-Khadafy speeches.

There were some factors favorable to his defense:

✓ He had flown to Colorado under his real name, rented a car in his name, checked into a motel under his name, and went to Zagallai's apartment while Zagallai's wife was at home — hardly the behavior of an assassin on a covert mission.

✓ State prosecutors, working closely with the FBI, decided at the last minute not to call two witnesses they had brought to Colorado. One was an ex-CIA agent and associate of Wilson's, and both, according to reports in the Denver Post, could have shed light on the "international aspects of the case."

✓ George Marling, who was in charge of the CIA records for covert operations, denied that Tafoya was employed by the CIA, but under cross-examination acknowledged the agency has a "policy of denial" in such cases. He didn't work for us, Marling was saying, and if he did, we would say he didn't.

✓ It was reported during the trial that the chief investigator in the shooting incident, Ray Martinez, had filed reports that he was threatened with prosecution by CIA officials if he testified about his conversations with them. Martinez also said the FBI withheld information from him and he received several anonymous phone calls warning him to "back off" from the investigation.

✓ Tafoya had testified that while he was talking with Zagallai the night of the shooting, Zagallai pulled a 9mm pistol from under a sofa cushion and fired the first shot. He said he later fired in self-defense as he and Zagallai struggled.

Testimony from the only witness, Gregory Barnes, a neighbor, gave some credence to Tafoya's story. Barnes said he saw Zagallai struggling with a man and the man bolted toward the door but was grabbed by Zagallai and thrown back into the living room. The shots that wounded Zagallai were fired after that, he said.

Tafoya was found innocent of the attempted murder charge but was convicted of misdemeanor assault.

"Gene got the government's dander up," says Austin attorney John Barrett, who later represented him in federal court in San Antonio. "If they set out to get you, they'll get you."

After a yearlong investigation, Tafoya, who had returned to El Paso and was attending community college classes, was indicted for making a false statement on his income tax returns. He had not declared as much as \$100,000, the government claimed. Tafoya argued that it was "expense" money he received from Wilson, not salary. His wife, Betty Jo, also was charged.

"He was arrested by half the federal law enforcement strength available in the western half of the United States," Barrett says, exaggerating.

"They had a roadblock set up on my street," Tafoya said. "They had 15 agents with shotguns. They had a SWAT team. They had everything but a helicopter overhead."

For a simple false tax statement case, the second trial of Eugene Tafoya was a complex curiosity, some parts of which were legal and some of which served little purpose but to create a hardship for Tafoya and his wife.

Tafoya lived in El Paso. His court-appointed attorneys were in Austin, and the trial was in San Antonio. "It was hard to confer with him," Barrett says. "He was in El Paso and couldn't afford to travel up here. He was broke. He and Betty Jo came up here once and had no place to stay. They slept on the front porch of my office."

During the trial, the government's witness and attorneys stayed at the Marriott on the San Antonio River. Barrett and Tafoya's attorney, Bill White, stayed in a \$34-a-night room at the Menger Hotel and used a phone

booth in the hall.

"We were having to pay our own expenses," Barrett says.

The U.S. attorney for the Western District of Texas played no role in the prosecution. Two Justice Department lawyers in Washington were assigned to the case.

Before the trial began, prosecutors declined to turn over to defense lawyers information material to the case. Barrett and White were forced to pay for a trip to Colorado to gather that information.

Defense attorneys were allowed \$300 for expert witnesses, while the government had a blank check. One government witness was brought from London, although he had no information about the tax matter.

One of the major points in Tafoya's appeal is that much of the testimony, such as that from the London witness, had nothing to do with his taxes, but dealt instead with his alleged role as a "hit man" for Wilson and Khadafy.

One witness the government did not call, he says, was one of Wilson's attorneys, who Tafoya said gave him much of the "expense" money.

"He could have told them it was expense money," Tafoya says, "but they didn't call him."

Tafoya was convicted on two felony counts and his wife was acquitted, but the government was not through with them. Although she was found innocent, Tafoya's wife was ordered to pay \$4,000 of the cost of the prosecution, and she has been threatened with jail for not doing so.

"We don't have a dime," Tafoya says, "but they keep hounding her, ordering her to appear in San Antonio to show cause why she should not be jailed. She can't even afford to get to San Antonio."

Instead of placing him in the federal prison in El Paso, the government sent Tafoya to El Reno,

Okla. "They did it to keep me away from my family," he says.

Stewing over it all in the solitude of a prison cell, Tafoya plays with hypothetical scenarios and elaborate theories of conspiracies.

Maybe Wilson really was a CIA operative. Maybe he, Tafoya, was, too, and was sent to Colorado to be killed by Zagallai (the FBI knew Zagallai would be armed because agents had advised him to acquire a gun for protection, according to Goulden's book).

Why would the CIA want him killed by a Libyan student? To create an incident to justify diplomatic reprisals against Khadafy, he reasons. But he defied the scheme. He survived and wounded Zagallai. He became visible. He pleaded a CIA defense.

"They had to discredit me," he says, the hypothesis gaining momentum in his mind. "They have hounded my wife into the hospital. ... They're trying to drive her to divorcing me. ... They're trying to pressure me to ..." His index finger makes a cutting motion across his throat.

Maybe they are and maybe they're not. In that land behind the looking glass where he has dwelled for nearly six years, nothing is finally knowable and never will be.